

IN THE

United States Court of Appeals

FOR THE NINTH CIRCUIT

NATIONAL VAN LINES, INC., a corporation,
Appellant,

vs.

ALFRED E. DEAN trading under the
firm name of NATIONAL TRANSFER
& STORAGE CO.,
Appellee.

APPELLANT'S REPLY BRIEF

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Defendant's casual treatment of certain critical issues brings them into sharp focus. Defendant had no adequate answer to plaintiff's facts and law concerning plaintiff's broad registration rights in its mark, the extensive confusion evidence of record and defendant's deliberate all-out imitation by later adding the vertical stripe design at the very time he terminated the agency relationship. These issues cannot be disposed of by avoiding a forthright answer. Nor can defendant justify its position by applying a strained interpretation of Rule 52(a) of the Rules of Civil Procedure.

It is apparent that defendant is seriously embarrassed by the existence of plaintiff's two federal registrations, which give it the broadest rights obtainable and appurtenant benefits. The district court likewise failed to cope with this fact and consequently failed to adjudicate this issue.

It is elementary that the benefits flowing from federal registration of a mark on the principal register are very substantial and are entitled to great weight. This was fully established by the statutes and authorities set forth in plaintiff's main brief (pp. 11-13, 16-18).

It is believed that this court will not be seriously impressed by defendant's vague attack wherein an attempt is made to challenge these significant rights, particularly the spurious argument that plaintiff may not monopolize a United States insignia (defendant's brief, pps. 14-15). With respect to the prohibition against registering such insignia as expressed in 15 USC 1052, the answer is of course obvious. Plaintiff's composite mark "NATIONAL" with vertical stripes—or for that matter the vertical stripes in the shield outline alone—is not a United States insignia or any other insignia. The statutory prohibition is very specific. Obviously it was considered by the officials charged with administering the trademark statutes when plaintiff's application for registration was before them. The United States Patent Office never raised any question as to plaintiff's right to register the vertical stripe design and it is the administrative agency charged with the initial enforcement of this statute.

Proceeding on the solid foundation represented by plaintiff's significant registration rights, we examine the next critical issue; namely, the existence of confusion or the mere likelihood thereof. It is noteworthy that defendant attempts to sweep aside plaintiff's voluminous record of confusion by a few general statements comprising less than two pages of its brief (pps. 18-19). Plaintiff's record abounds with examples of actual confusion at various levels in the trade. Numerous instances are of record, which are summarized in plaintiff's main brief (pps. 26-36). The confusion evidence involves many reports from

customers, employees, competitors and even defendant's own admission. Such evidence cannot be cast aside as the defendant has attempted to do by attacking the witnesses as "employees" or "good friends." Nor can the impact of such evidence be avoided by after-thought contentions that the testimony is hearsay or answers to leading questions. Nowhere during the trial or the taking of depositions did counsel make any of these objections to the confusion evidence adduced by plaintiff. The ineffectiveness of defendant's broadside attack on this evidence is further characterized by his reliance upon the general statements in *Dwinell-Wright Co. v. National Fruit Products Co.*, 140 F. 2d 618 (1st Cir.). Obviously such generalities have no useful application to a precise fact situation such as we have here.

It is also apparent that defendant is greatly disturbed about the fact that plaintiff has registered and asserts its mark as a *composite* unit comprising the NATIONAL name *with* the vertical stripes. Defendant repeatedly attacks these two units separately. Again it is elementary that in determining infringement and unfair competition a mark must be considered in its entirety. Comparison of marks by dissecting the elements is contrary to the established principles of law, *Schlitz Brewing Co. v. Huston Ice Co.*, 250 U. S. 28.

For some two decades plaintiff has used its composite mark comprising NATIONAL *with* the vertical stripes. It is this total mark which meets the eye of the public and it is this mark that plaintiff charges defendant has imitated to plaintiff's damage. We again emphasize that defendant was not content to merely adopt a "NATIONAL" name, but defendant deliberately added the vertical stripe design closely simulating plaintiff's some *six years* after it first adopted the "NATIONAL" name *without* design when originally licensed by plaintiff in 1944. Defendant never

advanced an explanation as to why he adopted the vertical stripe design just as he was cancelling the agency license with the plaintiff.

Analysis of defendant's efforts urging that NATIONAL is merely descriptive of the services rendered by both is indeed revealing. There is no issue here as to the use of "national" in its descriptive sense. *Here we are only concerned with the use of "NATIONAL" as a mark or name.* All arguments about descriptive meanings are entirely beside the point. Furthermore, the complaint is not directed to the mark "NATIONAL" alone, but the composite mark which includes the vertical stripe design.

In disposing of a similar contention by defendant the Court in *Leggett & Co. v. Premier Packing Co., Inc.*, 109 USPQ 215, said at page 217:

"Concerning the characteristic of the word 'Premier,' I find and rule that its use by the plaintiff was not, in the main, in the adjectival or comparative sense, but rather as a symbol of substance. See *Raymond v. Royal Baking Co.*, 85 F. 231, and *Worcester Brewing Corp. v. Reuter & Co.*, 157 F. 217."

To the same effect also is this Court's pronouncement in *National Lead Co. v. Wolfe*, 233 F. 2d 195 at 199.

If defendant's untenable argument as to descriptiveness is carried to its logical conclusion it must follow that both plaintiff and defendant operate a coast to coast service without a name or mark of identification.

Plaintiff asserts that defendant has deliberately imitated its composite mark by using the "NATIONAL" name with the vertical stripe design. It is urged that these facts clearly spell out infringement. Even in the absence of reg-

istration rights plaintiff's record makes out a substantial case of unfair competition, *National Lead Co. v. Wolfe, supra*. This conclusion is established by the voluminous record showing many instances of actual confusion. Such facts cry for relief, not only under the broad aspects of unfair competition law, but also under the technical registration rights.

In view of the facts of record as these must be interpreted in the light of the long line of authorities, especially those established by this Court, it is urged that the findings and conclusions prepared by defendant's counsel which were adopted by the lower court, are clearly erroneous and incomplete. Rule 52(a) of the Rules of Civil Procedure was never intended to apply to situations like the present one. While numerous authorities have held that findings of a lower court will not be readily disturbed when such findings involve the credibility of witnesses, there is no such issue in the present record. In no instance were the witnesses of plaintiff challenged. Indeed, there is no basis for such challenge.

The courts have also repeatedly held, particularly in trademark cases, that the appellate court is in just as good a position as the lower court to evaluate the evidence and to make its own findings as to confusion and similarly of the marks in issue. Significant on this point is this Court's recent rulings in *National Lead Co. v. Wolfe, supra*, and *Mershon v. Pachmayr*, 220 F 2d 879.

Courts have been uniform in holding that in trademark and unfair competition cases the appellate tribunals are in as good a position to compare marks and determine the likelihood of confusion or actual confusion as the trial Court.

Brown & Bigelow v. BB Pen Co., 191 F 2d 939
(CCA 8)

Albert Dickinson Co. v. Mellos Peanut Co., 179 F
2d 265 (CCA 7)

Eastern Wine Corp v. Winslow-Warren Ltd., 137
F 2d 955 (CCA 1)

Best & Co. v. Miller, 167 F 2d 374

In *Soy Food Mills Inc. v. Pillsbury Mills, Inc.*, 73 PQ
141, the Court of Appeals for the Seventh Circuit said:

“We are of the opinion that not only is the factual question thus open to the appellate court, but it is our unavoidable duty to examine the two trademarks or trade names or copyrights and decide the question of fact for ourselves.”

CONCLUSION

Defendant has not overcome plaintiff's prima facie rights as represented by its federal registrations. The most cursory examination of the respective marks demonstrates striking imitation. Defendant deliberately *added* the stripe design just before he cancelled his license with plaintiff. The record abounds with evidence of confusion, even deliberate palming off, and the significant admission by the defendant himself that there is confusion. In the face of these facts it seems idle to urge such trite defenses as descriptiveness, the right to use geographical names, alleged hearsay character of confusion evidence, and the like.

It is urged that the findings of the lower court are clearly erroneous and contrary to the evidence and that the judgment should be reversed.

Respectfully,

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